

Message Text

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PAGE 01 BUENOS 00048 041726Z

ACTION ARA-10

INFO OCT-01 ISO-00 SP-02 USIA-06 AID-05 EB-07 NSC-05

CIEP-01 TRSE-00 SS-15 STR-04 OMB-01 CEA-01 CIAE-00

COME-00 FRB-03 INR-07 NSAE-00 XMB-02 OPIC-03 L-03 H-01

PRS-01 IGA-02 /080 W

-----041733Z 069284 /41

R 041628Z JAN 77

FM AMEMBASSY BUENOS AIRES

TO SECSTATE WASHDC 8402

LIMITED OFFICIAL USE BUENOS AIRES 0048

E.O. 11652: N/A

TAGS: EINV, AR

SUBJECT: INVESTMENT DISPUTES: BANKS

REF:(A) BUENOS AIRES 6194, (B) BUENOS AIRES 4768

1. THE GOA HAS MADE CONSIDERABLE PROGRESS IN SETTLING
THE OUSTANDING INVESTMENT DISPUTES WITH US BANKS.
THE STATUS OF THE VARIOUS CASES IS AS FOLLOWS:

A. MORGAN GUARANTY: THE GOA ISSUED DECREE 3352
ABROGATING NATIONALIZATION OF BANCO FRANCES.
THE EFFECT IS TO RETURN TO MORGAN GUARANTY
THE SHARES IT OWNED IN BANCO FRANCES.

B. CHASE MANHATTAN: THE GOA AND CHASE HAVE SIGNED
AN AGREEMENT IN PRINCIPLE TO RETURN BANCO
ARGENTINO COMMERCIAL (BAC) TO CHASE AND GERMAN
PARTNER. UNDER AGREEMENT GOA WILL GUARANTEE
THE NET ASSET VALUE OF BAC AS OF THE DATE IT
WAS TAKEN OVER; PERMIT DISMISSAL OF BAC'S EXCESS
PERSONNEL WITHIN 150 DAYS; AND EXCLUDE ITS LOAN
PORTFOLION FROM BANK'S ASSETS.

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C. CITIBANK: CITIBANK REPRESENTATIVE REPORTS
SETTLEMENT OF ITS DISPUTE HAS NOT BEEN GIVEN
HIGH PRIORITY EITHER ON ITS OR GOA'S SIDE.
HE DOWNPLAYED IMPORTANCE OF DISPUTE, STATING
THAT CITIBANK WANTED ONLY \$150,000 IN
COMPENSATION FOR BAHIA BRANCH LOSSES AND

AUTHORIZATION TO OPEN NEW BRANCH IN MAR DEL
PLATA. HE SAID HE WAS CONFIDENT THAT, NOW
THAT CHASE AND MORGAN GUARANTY HAD REACHED
AGREEMENTS, A SOLUTION TO CITIBANK'S CASE
WOULD BE FORTHCOMING SOON.

2. COMMENT: WITH THE EXCEPTION OF THE EXXON CASE,
WHICH AT LAST WORD WAS STILL HUNG UP IN THE SPECIAL
GOA COMMISSION, THE GOA HAS NOW EITHER SETTLED OR MADE
PROGRESS IN RESOLVING ALL THE MAJOR DISPUTES WITH U.S.
COMPANIES.
HILL

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
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Control Number: n/a
Copy: SINGLE
Sent Date: 04-Jan-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Litigation Codes:
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SAS ID: 3669554
Secure: OPEN
Status: NATIVE
Subject: INVESTMENT DISPUTES: BANKS
TAGS: EINV, AR, US
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/3fd0e4dd-c288-dd11-92da-001cc4696bcc
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